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C.I.G.

17 May, 1946

CENTRAL INTELLIGENCE GROUP

INTERIM PROVISION FOR THE
COLLECTION OF FOREIGN INTELLIGENCE INFORMATION
BY CLANDESTINE METHODS

Reference: C.I.G. Directive No. 3

Memorandum by the Director of Central Intelligence

1. Pursuant to the provisions of C.I.G. Directive No. 3, the Central Planning Staff, C.I.G., is making a survey of the Collection of Foreign Intelligence Information by Clandestine Methods. Although the survey is incomplete, pressure growing out of early need for recommendations upon which to base budget estimates for fiscal year 1948, demands interim action on the subject at this time. Based upon such facts as the Central ^{Intelligence Group} (Planning Staff) has been able to assemble in the curtailed time allowed it, an interim report has been submitted to the Director of Central Intelligence. The substance of that report is included in the "Enclosure" and Appendix "B" hereto.

2. After consideration of the report, the enclosed and appended papers have been prepared as a basis for action in this matter.

3. It is therefore recommended that the Intelligence Advisory Board concur in the submittal of the "Enclosure" for consideration by the National Intelligence Authority.

SIDNEY W. SOUERS,

Director.

~~TOP SECRET~~

C.I.G.

- 1 -

TOP SECRET (Minimum Distribution)

E N C L O S U R E

DRAFT

NATIONAL INTELLIGENCE AUTHORITY

INTERIM PROVISION FOR THE
COLLECTION OF FOREIGN INTELLIGENCE INFORMATION
BY CLANDESTINE METHODS

Report by the Director of Central Intelligence
with the unanimous concurrence of the
Intelligence Advisory Board

1. During the war, the collection of foreign intelligence information by clandestine methods was accomplished by a number of agencies with varying degrees of success in production and in maintenance of security. In the continuing emergency, some of these agencies still exist and are functioning in whole or in part. Some of the war-time agencies which operated in this field have been disbanded; some are expanding their efforts to as to cover vital areas which at present are without adequate, competent cover. An assignment of responsibilities to still existing agencies, the expansion of certain of them and the liquidation of certain others appear to be immediate necessities.

2. After consideration of all evidence which the time allowed for the interim survey has permitted him to assemble, the Director of Central Intelligence concludes that:

a. The operations by F.E.I., in economic, political, financial and subversive fields, should be continued as at present and as provided for in budget estimates for fiscal year 1947;

b. The operations noted in a. should be expanded, in fiscal year 1948 and thereafter, to world-wide coverage;

TOP SECRET

- 2 -

Enclosure

TOP SECRET (Minimum Distribution)

c. Adequate provision for the collection of foreign naval intelligence information by O.N.I., by clandestine methods, has not been made in budget estimates for fiscal year 1947 but should be made in fiscal year 1948 and thereafter, on a world-wide basis, as O.N.I. has the need for such operations and possesses the capability of meeting the need;

d. Adequate provision for the collection of foreign intelligence information by clandestine methods, on a world-wide basis, as required to meet the needs of G-2, has been made in budget estimates for fiscal year 1947 and similar provision should be made for fiscal year 1948 and thereafter; G-2 activities by these particular methods to be restricted gradually to the collection of military intelligence information, as F.B.I. activities in the collection of economic, political, financial and subversive intelligence information expand as indicated in b. above;

e. Present SSU activities (SI and X-2) in the European Theatre, including Germany, Austria, Czechoslovakia, France, Portugal and Spain (but not including Baltic countries) should be transferred to G-2, USFET for control, administration and supply, appropriate portion of SSU funds to be transferred to G-2, USFET; this transfer should be accomplished as rapidly as practicable;

f. All SI and X-2 activities now under SSU not specifically disposed of under e., above, including all Washington personnel concerned therewith, should be liquidated as rapidly as possible; all SI files and records in the field excepting those concerned in e., above, should be destroyed; all X-2 files and records excepting those concerned in e., above, should be turned over to

TOP SECRET

- 3 -

Enclosure

TOP SECRET

the Chief of the local or nearest Diplomatic Mission, the SI and X-2 Washington files to be turned over to C.I.G. for such disposition as may be appropriate;

g. Since planning problems concerning both Information and Security are involved, the action indicated in g. and f., above, should be carried out by a committee from C.I.G. including the Senior Representative of the Director of Central Intelligence with SSU, and two members of the Central Planning Staff representing Information and Security Branches respectively;

h. Responsibility for the coordination of the collection of foreign intelligence information by clandestine methods should rest with the Director of Central Intelligence;

i. A new "Delimitation Agreement", defining fields and areas to be covered by the agencies continuing and re-embarking upon clandestine operations during the interim period, should be drawn up between the A.C. of S., G-2, the Chief, ONI and the Director, F.B.I. and concurred in by the Director of Central Intelligence.

Discussion upon which the foregoing conclusions are based is contained in Enclosure "B" (Appendix "B" hereto).

3. The enclosed draft N.I.A. Directive has been prepared to provide the means for carrying out the recommendations based upon the above conclusions. It has been unanimously concurred in by the Director of Central Intelligence and the Intelligence Advisory Board.

4. It is recommended that the National Intelligence Authority approve the draft directive in Enclosure "A" (Appendix "A" hereto).

TOP SECRET

- 4 -

Enclosure

TOP SECRET (Minimum Distribution)

APPENDIX "A"

DRAFT

PROPOSED W.I.A. DIRECTIVE

INTERIM PROVISION FOR THE
COLLECTION OF FOREIGN INTELLIGENCE INFORMATION
BY CLANDESTINE METHODS

Pursuant to paragraph 1 of the letter from the President, dated 22 January 1946, which designated this Authority as responsible for planning, developing and coordinating the Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security, the following policies and procedures to provide for the collection of foreign intelligence information by clandestine methods, on an interim basis, are announced:

1. The Federal Bureau of Investigation will continue the collection of foreign intelligence information by clandestine methods in economic, political, financial and subversive fields in the areas and countries and to the extent provided for in fiscal year 1947. These activities will be expanded beginning with fiscal year 1948 to cover all strategically important areas and countries in the world.

2. The Assistant Chief of Staff, G-2, War Department, will continue the collection of foreign intelligence information by clandestine methods to the limit of his capabilities and means as provided for in fiscal year 1947 and will perform the same service to cover all strategically important areas and countries in the world during fiscal year 1948 and thereafter.

TOP SECRET

- 5 -

Appendix "A"

TOP SECRET (Minimum Distribution)

3. The Chief of Naval Operations will resume the collection of foreign intelligence information by clandestine methods to the extent possible within funds available for such work in fiscal year 1947 and will prepare for full coverage in fiscal year 1948 of all strategically important areas and countries in the world.

4. A Delimitation Agreement defining areas and subject information to be covered by each agency will be drawn up by and between the A.C. of S., G-2, the Chief, ONI, and the Director, F.B.I., under the advice and with the concurrence of the Director of Central Intelligence.

5. The Director of Central Intelligence will coordinate the needs of the intelligence agencies under our control, will assign missions, and will coordinate the collection effort.

6. Present SI and I-2 activities, personnel, equipment and supplies in the European Theatre including Germany, Austria, Czechoslovakia, France, Portugal and Spain (but not including Baltic countries) will be transferred to A.C. of S., G-2, USFET, for control, administration and supply, together with the appropriate portion of SSU funds required to support the transferred activities and personnel and the administration and supply thereof; this for so long a period as G-2, USFET shall continue to have the need.

7. All other SI and I-2 activities, personnel, equipment and supplies under present SSU control throughout the world, excepting those transferred under paragraph 6, above, will be liquidated within the shortest possible time from date of this Directive. This liquidation will be directed by a committee of three members to be designated by the Director of Central Intelligence and will include the liquidation of all SI and I-2 headquarters activities, personnel, equipment and supplies as well as those in the field.

TOP SECRET

- 6 -

Appendix "A"

TOP SECRET (Minimum Distribution)

All SI records and files in the field, in areas covered by this paragraph, will be destroyed; all X-2 records and files in the field, in areas covered by this paragraph, will be turned over to the Chief of the local or nearest Diplomatic Mission; all SI and X-2 records and files in headquarters will be turned over to the Director of Central Intelligence for appropriate disposition.

8. The State, War, Navy and Justice Departments will take the necessary steps to implement the foregoing policies and procedures.

TOP SECRET

- 7 -

Appendix "A"

TOP SECRET (Minimum Distribution)

APPENDIX "B"

DISCUSSION

1. During the war, the collection of foreign intelligence information necessary to the prosecution of the war, by clandestine methods, was engaged in by a number of agencies including G-2, WDGS, ONI, FBI, and OSS and supplemented by the activities of certain personnel of the Department of State. Since the termination of formal hostilities, certain of the agencies operating during the war in the clandestine field have terminated their activities.

2. The need for foreign intelligence information which can be collected only by clandestine methods is an integral and essential part of the continuing need for complete foreign intelligence to insure the national security.

3. In the course of the interim survey, the following categories of personnel have been interviewed and, in some cases, have submitted written reports and comments:-

a. Representatives of G-2 concerned in clandestine methods for collecting foreign intelligence information;

b. Representatives of ONI concerned in this type of work;

c. Representatives of FBI with complete knowledge of their operations in this field in the areas and centers assigned to them by Presidential Orders;

d. Officials of SSU (formerly OSS) and field personnel of that organization who happened to be in Washington;

e. State Department officials having knowledge of the work and requirements in this field.

TOP SECRET

- 8 -

Appendix "B"

TOP SECRET (Minimum Distribution)

4. Opinions of members of each category have been checked with members of the other categories and the arguments presented hereafter represent in every case the majority opinion of those with direct knowledge of the subject.

5. Foreign intelligence information should be collected as required to accomplish the national intelligence mission by special agencies in the fields noted, as follows:

a. Secret intelligence on economic, political, financial and subversive matters, by the Director, Federal Bureau of Investigation;

b. Secret intelligence on military matters, by the Director of Information, Office of the A.C. of S., G-2, War Department;

c. Secret intelligence on naval matters, by the Head of the Collection and Dissemination Group, Foreign Branch, ONI, Navy Department.

6. Since F.B.I. is limited, at present, to activities of this nature in Central and South America and the Caribbean and since ONI is not, at present, operating by clandestine methods anywhere, the Office of the A.C. of S., G-2, War Department should be charged, in the interim period, with the collection of all required foreign intelligence information in the vital areas of the world which are not covered by F.B.I. or ONI.

7. Since current activities of SSU (SI and I-2) in Germany, Austria, Czechoslovakia, France, Portugal and Spain are valuable to the Military Government and to A.C. of S., G-2, European Theatre, these activities together with such field personnel as are required to perform them, should be transferred to A.C. of S., G-2, European Theatre, together with such funds now allocated to SSU as are required by A.C. of S., G-2, European Theatre to support these activities.

TOP SECRET

- 9 -

Appendix "B"

TOP SECRET (Minimum Distribution)

8. Since current activities of SSU (SI and I-2) in countries and areas not specifically named in paragraph 7, above, are not generally considered necessary by the permanent intelligence agencies of the government, they should be liquidated in the shortest possible time. This conforms to the spirit and intent of M.I.A. 3. and N.I.A. 4.

9. The Director of Central Intelligence should coordinate the needs of the intelligence agencies subject to NIA control for intelligence information obtainable by clandestine methods, should assign missions, and should coordinate the collection effort. This coordination should be centered in one individual of the Central Intelligence Group to be nominated by the Director and concurred in by the A.C. of S., G-2, War Department, the Chief of Naval Intelligence, the Director of the F.B.I. and the Chief of the Division of Foreign Activities Correlation, State Department; this representative of the Director to be assisted, as required, by a permanent committee consisting of the Director of Information, MID (G-2), the Head of the Collection and Dissemination Group, Foreign Branch, ONI, the appropriate Assistant Director, F.B.I., and the Chief, Division of Foreign Activities Correlation, State Department.

10. In order to define fields of effort and areas to be covered by the several agencies to be charged with the collection of foreign intelligence information by clandestine methods, a new "Delimitation Agreement" should be drawn up to cover activities during the interim period, by and between the A.C. of S., G-2, War Department, the Chief, ONI, Navy Department, and the Director, F.B.I. Such agreement should be drawn up with the advice of the Director of Central Intelligence and should have his concurrence. As the circumstances change, the agreement should be revised accordingly, always with the advice and concurrence of the Director of Central Intelligence.

TOP SECRET

- 10 -

Appendix "B"